

ETEXT ATTACHMENT

06/09/2004 10 : 51

This is in response to your letter dated May 12, 2004 concerning our Amended April Quarterly Report (1/1/03-3/31/03), specifically concerning our office space arrangements.

When the RPV decided years ago to purchase a permanent headquarters building for its operations, a separate legal entity, the Richard D. Obenshain Foundation, was created for the sole purpose of holding legal title to the building. The Foundation's governing document provides that (i) the Foundation is to hold title to the building for the benefit and use of the RPV and (ii) the RPV is empowered to appoint annually all the directors of the Foundation. The RPV pays all expenses relating to the headquarters building, including utilities, real estate taxes, insurance, maintenance and repairs, and the RPV reports the same as disbursements on its campaign finance reports.

For well considered legal reasons unrelated to the campaign finance laws, political party committees often choose to hold legal title to their headquarters buildings through separate legal entities. See, e.g., FEC Advisory Opinion 1983-8 (National Republican Senatorial Committee created a separate trust to hold legal title to NRSC headquarters). Acknowledging such arrangements, the FEC treats such committees they serve for purposes of the federal campaign finance laws. *Id.* (finding that a trust controlled by the NRSC was a part of the NRSC for purposes of the building fund exemption formerly provided under 2 U.S.C. 431 (8) (B) (vii)).

Since the Party owns its headquarters building through this closely-controlled Foundation, the RPV has accurately accounted for all costs associated with its headquarters in its campaign finance reports. We believe we are in full compliance with the relevant campaign finance reports to reflect 'rent payments' or 'in-kind contributions' or to take any corrective action regarding the same.

This question was examined several years ago during a FEC field audit, and no issues were raised at that time with respect to titling the ownership of the building in a separate entity controlled by the Party. The RPV has made no changes in this title-holding arrangement since that review.

Please advise us if you have any other questions regarding this matter.